

1
2
3
4
5 UNITED STATES DISTRICT COURT
6 DISTRICT OF NEVADA

7 * * *

8 U.S. BANK, N.A., as TRUSTEE,

9 Plaintiff,

Case No. 2:15-cv-001484-KJD-GWF

ORDER

10 v.

11 SOUTHERN HIGHLANDS COMMUNITY
12 ASSOCIATION, *et al.*,

13 Defendants.
14

15 **I. Background and Analysis**

16 This case emerges from the non-judicial foreclosure sale by Defendant Southern
17 Highlands Community Association on or about September 5, 2012 of the property located at
18 10702 La Crescenta Ct., Las Vegas, Nevada 89141 (“the Property”). This case shares a similar
19 fact pattern with many cases currently pending before this Court, all having to do with HOA
20 foreclosure sales. One of the issues before the Court centers in whole or in part around the
21 question of what notice of default the foreclosing party was required to provide Plaintiff prior to
22 its foreclosure sale on the Property. After the Nevada Supreme Court’s decision in SFR Invs.
23 Pool 1, LLC v. U.S. Bank, the Ninth Circuit decided Bourne Valley Court Trust v. Wells Fargo
24 Bank, NA, 832 F.3d 1154, 1160 (9th Cir. 2016) (holding NRS 115.3116(2)’s statutory notice
25 scheme was facially unconstitutional).

26 On April 21, 2017, in Bank of New York Mellon v. Star Hills Homeowners Ass’n, this
27 Court certified the following question to the Nevada Supreme Court: “Whether NRS §
28 116.31168(1)’s incorporation of NRS § 107.090 requires homeowners associations to provide

1 notices of default to banks even when a bank does not request notice?” Bank of New York
2 Mellon v. Star Hill Homeowners Ass’n, 2017 WL 1439671, at *5 (D. Nev. April 21, 2017).

3 In granting certification, the Court reasoned the following: In Bourne Valley, the Ninth
4 Circuit definitively answered the question that the statute’s “opt-in” framework was
5 unconstitutional. Bourne Valley Court Trust v. Wells Fargo Bank, NA, 832 F.3d 1154, 1160 (9th
6 Cir. 2016). However, that left the Court with the unresolved question of what notice must be
7 provided. “It is solely within the province of the state courts to authoritatively construe state
8 legislation.” Cal. Teachers Ass’n v. State Bd. of Educ., 271 F.3d 1141, 1146 (9th Cir. 2001). As
9 such, state law questions of first impression like this one should be resolved by the state’s
10 highest court. See Huddleston v. Dwyer, 322 U.S. 232, 237 (1944).

11 On August 2, 2018, the Supreme Court of Nevada answered the certified question. See
12 SFR Invs. Pool 1, LLC v. Bank of New York Mellon, 422 P.3d 1248 (Nev. 2018). Further, it has
13 since issued two new opinions that bear on the issues in this action. See Wells Fargo Bank, N.A.
14 v. Tim Radecki, 2018 WL 4402403 (Nev. September 13, 2018); Bank of America, N.A. v. SFR
15 Invs. Pool 1, LLC, 2018 WL 4403296 (Nev. September 13, 2018) (tender of the superpriority
16 amount prior to foreclosure results in buyer taking property subject to deed of trust).

17 **A. Stay of the Case**

18 A district court has the inherent power to stay cases to control its docket and promote the
19 efficient use of judicial resources. Landis v. North Am. Co., 299 U.S., 248, 254-55 (1936);
20 Dependable Highway Exp., Inc. v. Navigators Ins. Co., 498 F.3d 1059, 1066 (9th Cir. 200). A
21 stay is no longer necessary in this action where the certified question has already been decided.

22 **B. Briefing Schedule**

23 The parties may either file a stipulation or move the Court for a modified discovery plan
24 and scheduling order as necessary. If the parties fail to do so, dispositive motions are due no later
25 than forty-five (45) days after the entry of this order. Any future dispositive motions must
26 address the most recent case law applicable to the issues in this action.

27 ///


28 ///

1 **II. Conclusion**

2 Accordingly, IT IS HEREBY ORDERED that the **STAY** in this action is **LIFTED**;

3 IT IS FURTHER ORDERED that stipulations, motions to modify the discovery plan and
4 scheduling order, or in the absence of such stipulations or motions, dispositive motions are due
5 within forty-five (45) days after the entry of this order.

6 Dated this 22nd day of October, 2018.

7
8 

9 Kent J. Dawson
10 United States District Judge
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28